

FILED

1 RUSS, AUGUST & KABAT  
 2 LARRY C. RUSS, State Bar No. 082760  
 3 E-mail: [lcruss@raklaw.com](mailto:lcruss@raklaw.com)  
 4 MARC A. FENSTER, State Bar No. 181067  
 5 E-mail: [mfenster@raklaw.com](mailto:mfenster@raklaw.com)  
 6 IRENE Y. LEE, State Bar No. 213625  
 7 E-mail: [ilee@raklaw.com](mailto:ilee@raklaw.com)  
 8 12424 Wilshire Boulevard, Twelfth Floor  
 9 Los Angeles, California 90025  
 10 Telephone: 310.826.7474  
 11 Facsimile: 310.826.6991

2008 MAY 30 AM 11:52

CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

BY \_\_\_\_\_

Attorneys for Plaintiff Pinkberry, Inc.

UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA

GW

PINKBERRY, INC., a California  
 corporation,

Case No.

CV08-03550 (SHx)

Plaintiff,

COMPLAINT FOR DAMAGES AND  
INJUNCTIVE RELIEF FOR:

vs.

1. FEDERAL TRADEMARK INFRINGEMENT
2. UNFAIR COMPETITION
3. FALSE DESIGNATION OF ORIGIN
4. UNFAIR COMPETITION UNDER CALIFORNIA STATUTE
5. INJURY TO BUSINESS REPUTATION UNDER CALIFORNIA COMMON LAW
6. TRADEMARK DILUTION UNDER CALIFORNIA STATUTE

COLD STONE CREAMERY, INC., an  
 Arizona corporation; KAHALA  
 ACQUISITION V, L.L.C., an Arizona  
 limited liability company; and  
 KAHALA CORP., a Delaware  
 corporation,

Defendants.

DEMAND FOR JURY TRIAL

1 Plaintiff Pinkberry, Inc. by its attorneys, as and for its Complaint against  
 2 Defendants, Cold Stone Creamery, Inc., Kahala Acquisition V, L.L.C., and Kahala  
 3 Corp., alleges as follows:

#### 4 JURISDICTION AND VENUE

5 1. This is a complaint for trademark infringement, unfair competition,  
 6 and false designation of origin arising under §§ 32 and 43 of the Lanham Act, 15  
 7 U.S.C. §§ 1114(1) (trademark infringement) and 1125(a)(1)(A) and (B) (unfair  
 8 competition and false designation of origin), for unfair business practice arising  
 9 under California Business and Professions Code § 17200 et seq., for injury to  
 10 business reputation arising under California common law, and for trademark  
 11 dilution under California Business and Professions Code § 14330 et seq.

12 2. This Court has original subject matter jurisdiction over this action  
 13 pursuant to 28 U.S.C. § 1338(a) and 15 U.S.C. § 1121. This Court has related  
 14 claim jurisdiction over the state law claims pursuant to 28 U.S.C. § 1338(b) and 28  
 15 U.S.C. § 1367.

16 3. This Court has personal jurisdiction over the Defendants Cold Stone  
 17 Creamery, Inc., Kahala Acquisition V, L.L.C., and Kahala Corp. because they  
 18 maintain their respective places of business and conduct business in the State of  
 19 California.

20 4. Venue is proper in this district under 28 U.S.C. § 1391(b)(2) and (3)  
 21 because a substantial part of the events giving rise to the claims occurred in this  
 22 district, a substantial part of property that is the subject of the action is situated in  
 23 this district, and the Defendants were and are subject to personal jurisdiction in this  
 24 district at the time the action was commenced.

#### 25 PARTIES

26 5. Plaintiff Pinkberry, Inc. ("Pinkberry") is, and at all times relevant  
 27 hereto has been, a corporation organized and existing under the laws of the State of  
 28 California, having a place of business at 6310 San Vicente Boulevard, Suite 100,



1 Los Angeles, California 90048. Pinkberry's primary line of business is the retail  
2 sale of low-calorie, fat-free, tangy-tasting frozen yogurt and smoothies. Pinkberry  
3 operates stores throughout Los Angeles and elsewhere within this district as well  
4 as in interstate commerce.

5 6. On information and belief, Defendant Cold Stone Creamery, Inc.  
6 ("Cold Stone") is, and at all times relevant hereto has been, a corporation  
7 organized and existing under the laws of Arizona, having a place of business at  
8 9311 East Via de Ventura, Scottsdale, Arizona 85258 and operating dozens of  
9 Cold Stone stores throughout Los Angeles and elsewhere within this district. Cold  
10 Stone's primary line of business is the retail sale of high-calorie, hand-packed,  
11 creamy ice cream on a frozen granite stone. On information and belief, at least as  
12 early as November 2007, Cold Stone started offering for sale low-calorie, fat-free,  
13 tangy-tasting frozen yogurt that is a direct rip-off of Pinkberry's concept under the  
14 name "Tartberry."

15 7. On information and belief, Defendant Kahala Acquisition V, L.L.C.  
16 ("Kahala LLC") is, and at all times relevant hereto has been, a limited liability  
17 company organized and existing under the laws of Arizona, having a place of  
18 business at 9311 East Via de Ventura, Scottsdale, Arizona 85258. On information  
19 and belief, Kahala LLC is the parent company of Cold Stone.

20 8. On information and belief, Defendant Kahala Corp. ("Kahala Corp.")  
21 is, and at all times relevant hereto has been, a corporation organized and existing  
22 under the laws of Delaware, having a place of business at 9311 East Via de  
23 Ventura, Scottsdale, Arizona 85258. On information and belief, Kahala Corp. is  
24 the parent company of Kahala LLC.

25 9. On information and belief, at all times relevant to the allegations in  
26 the Complaint, each Defendant was the agent, employee, servant, partner and/or  
27 co-conspirator of each of the other Defendants and/or is in some other manner  
28 legally liable for the conduct and damages at issue in this action and was acting

1 within the course and scope of one or more of such relationships and with the  
 2 direct or implied knowledge, consent and/or ratification of each of the other  
 3 Defendants.

#### 4 SUMMARY OVERVIEW OF COMPLAINT

5 10. Defendants' Tartberry is a Pinkberry rip-off. It is a copycat that  
 6 Defendants have adopted to build their market, market share and customer base off  
 7 the name and growing nation-wide renown of the Pinkberry yogurt shops. Much  
 8 the way that Apple Computers revolutionized the computer industry, raising the  
 9 design standards and operating systems of the previously staid "beige box"  
 10 computer market, Pinkberry has and is revolutionizing the yogurt business and  
 11 consumer experience with a product selection and look and feel that is uniquely  
 12 Pinkberry.

13 11. Consumers responded to the opening of the first Pinkberry in West  
 14 Hollywood, California with wild enthusiasm as well as affection for the product  
 15 and the brand. This response was manifested by the long lines and press coverage  
 16 that the initial location(s) received. Pinkberry was a success.

17 12. Pinkberry's success was noted by its competitors and would-be  
 18 competitors alike. On information and belief, Defendants, whose business only  
 19 focused on serving high-calorie, hand-packed, creamy ice cream on a cold granite  
 20 stone, watched Pinkberry's ascendancy with interest. On information and belief,  
 21 they consciously and willfully hatched a scheme to copy Pinkberry's success by  
 22 introducing low-calorie, fat-free, tasting frozen yogurt, under the name  
 23 "Tartberry."

24 13. Aside from choosing a name that is confusingly similar to Pinkberry's  
 25 name, Defendants tried to copy other elements of Pinkberry, from its limited  
 26 selection of two yogurt flavors<sup>1</sup> down to the three blueberries featured in  
 27 Pinkberry's signature photograph.

28 <sup>1</sup> Until January 2008, Pinkberry offered only two flavors: plain and green tea.



1 14. Pinkberry has been and continues to be damaged by Defendants'  
 2 infringing activities under the "Tartberry" mark. Despite Pinkberry's requests to  
 3 stop such infringing activities, Defendants refused, thereby necessitating this  
 4 lawsuit.

5 **ALLEGATIONS COMMON TO ALL CLAIMS FOR RELIEF**

6 **A. PINKBERRY'S CREATION AND FIRST USE OF ITS "PINKBERRY"**  
 7 **TRADEMARK, SERVICE MARK AND TRADE NAME.**

8 15. Commencing in or about January 2005, Pinkberry began marketing  
 9 and selling a unique line of low-calorie, fat-free, tangy-tasting frozen yogurt,  
 10 smoothies, and shaved ice that Pinkberry had created and developed.

11 16. Since January 2005, Plaintiff began using, and is currently using, its  
 12 "Pinkberry" trademark, service mark, and trade name in connection with the  
 13 manufacture, marketing and sale of its yogurt, smoothies, yogurt shops and related  
 14 services in interstate commerce.

15 17. Before opening the first store in January 2005, the founders of  
 16 Pinkberry, Hye-Kyung ("Shelly") Hwang and Young Lee, came up with the  
 17 fanciful name "Pinkberry" reflecting their novel store concept and fresh products.

18 18. On May 4, 2006, Pinkberry, Inc. applied to register the "Pinkberry"  
 19 mark with the United States Patent and Trademark Office ("USPTO") and  
 20 identified "frozen yogurt, frozen yogurt based desserts combined with fruit, nuts,  
 21 cereal and shaved ice and rice cakes, and smoothies" as the products on which the  
 22 claimed mark had been and continued to be used. On October 2, 2007, the USPTO  
 23 approved the application and issued a Certificate of Registration under Registration  
 24 Number 3,302,143. A true and correct copy of the registration certificate is  
 25 attached hereto as **Exhibit "A"**, along with true and correct copies of examples of  
 26 Pinkberry's use of the mark, all of which are incorporated by this reference as if set  
 27 forth in full herein.  
 28

1           19. Since January 2005, the “Pinkberry” brand products, shops and  
2 services, and “Pinkberry” trademark, service mark, and trade name have been  
3 widely used and recognized in the United States. Through widespread and  
4 favorable public acceptance and recognition, Pinkberry’s distinctive trademark,  
5 service mark and trade name have become a famous mark and name widely  
6 recognized by the public.

7           20. Pinkberry has expended money, time and effort in the promotion of its  
8 “Pinkberry” brand products and services as well as in the enforcement of  
9 Pinkberry’s rights in the trademark, service mark, and trade name throughout the  
10 United States.

11           21. By virtue of such efforts by Pinkberry, its “Pinkberry” trademark,  
12 service mark, and trade name have become associated in the minds of consumers  
13 and in the minds of the general public with Pinkberry and have become an asset of  
14 substantial value to Pinkberry and a symbol of its quality products and services and  
15 valuable goodwill.

16           22. In 2006, Pinkberry registered with the State of California as a  
17 franchising company and has entered into franchise agreements with franchisees  
18 who are permitted to use the “Pinkberry” trademark, service mark, and trade name  
19 and market and provide the “Pinkberry” brand products and services, under the  
20 strict supervision and guidelines established by Pinkberry.

21           23. Pinkberry has entered into franchise agreements with franchisees in  
22 various locations in this district. As a result of Pinkberry’s efforts, Pinkberry has  
23 expanded from one location in West Hollywood to 55 locations: 43 locations in  
24 Southern California (i.e., Americana, Glendale; Barrington Court, Brentwood;  
25 Belmont Shore, Long Beach; Beverly Hills; South Beverly Hills; Gorham,  
26 Brentwood; Century City; Corona; El Segundo; Farmers Market, Los Angeles;  
27 Fashion Island, Newport Beach; Huntington Beach; Irvine; Koreatown, Los  
28 Angeles; La Canada; La Habra; Larchmont, Los Angeles; Little Tokyo, Los



1 Angeles; Long Beach; Los Feliz, Los Angeles; Marina del Rey; Marina Waterside;  
 2 Melrose, Mira Loma; West Hollywood; Montana Ave., Santa Monica; Northridge;  
 3 Pasadena; Rancho Cucamonga; Rolling Hills; Rowland Heights; Santa Ana;  
 4 Silverlake, Los Angeles; Studio City; Sunset Blvd., Los Angeles; Temecula;  
 5 Topanga Mall, Canoga Park; Tustin; Valencia; Venice; West Hollywood; West  
 6 Los Angeles; Westlake Village; and Westwood); and 12 locations in New York  
 7 (i.e., 32nd Street; Chelsea; Columbia; Columbus Circle; Flushing; Gramercy;  
 8 Greenwich Village; Spring Street; St. Marks; Union Square; Upper East Side and  
 9 Upper West Side).

#### 10 **B. DEFENDANTS' UNLAWFUL CONDUCT**

11 24. Defendants offer for sale and sell low-calorie, fat-free, tangy-tasting  
 12 frozen yogurt under the copycat name "Tartberry." Defendants tried to copy  
 13 Pinkberry, from Pinkberry's unique, creative trademark to its limited selection of  
 14 two flavors even to the three blueberries featured in Pinkberry's signature  
 15 photograph of its yogurt.

16 25. On information and belief, beginning at least as early as November  
 17 2007, Defendants started using the "Tartberry" mark in connection with their  
 18 products, services and/or shops in competition with Pinkberry's in contravention of  
 19 Pinkberry's rights. True and correct copies of Defendants' "Tartberry" promotion  
 20 are attached as **Exhibit "B"** hereto, and are incorporated by this reference as if set  
 21 forth in full herein.

22 26. On information and belief, fully aware that Pinkberry owned the  
 23 rights to the "Pinkberry" trademark, service mark and trade name, on or about  
 24 January 22, 2008, Defendant Cold Stone filed with the USPTO an Intent to Use  
 25 (ITU) application for the mark "Tartberry" and identified the following goods as  
 26 the ones upon which Cold Stone intended to use the mark: "frozen confections,  
 27 frozen yogurt, milk-based frozen desserts, smoothies and frozen drinks." A copy  
 28

1 of the application from the USPTO database is attached hereto as **Exhibit "C"** and  
2 incorporated by this reference as if set forth in full herein.

3 27. On information and belief, fully aware that Pinkberry owned the  
4 rights to the Pinkberry trademark, service mark and trade name, on March 11,  
5 2008, Defendant Kahala Corp. filed with the USPTO an Intent to Use (ITU)  
6 application for the mark "Tartberry" and identified the following goods as the ones  
7 upon which Kahala Corp. intended to use the mark: "frozen confections, frozen  
8 yogurt, milk-based frozen desserts, smoothies and frozen drinks." A copy of the  
9 application from the USPTO database is attached hereto as **Exhibit "D"** and  
10 incorporated by this reference as if set forth in full herein.

11 28. Defendants' use of the "Tartberry" mark in their promotion and  
12 advertising constitutes the use in commerce of a colorable imitation, copy and  
13 reproduction of the "Pinkberry" trademark, service mark, and trade name.  
14 Defendants' use of "Tartberry" for low-calorie, fat-free, tangy-tasting frozen  
15 yogurt and smoothies is deceptively and confusingly similar to Pinkberry's  
16 trademark, service mark and trade name for the identical products.

17 29. Defendants' "Tartberry" low-calorie, fat-free, tangy-tasting frozen  
18 yogurt and smoothies will be distributed and sold in the same types of retail  
19 channels and to the same classes of purchasers as Pinkberry's low-calorie, fat-free,  
20 tangy-tasting frozen yogurt and smoothies.

21 30. Defendants' use of "Tartberry" mark is likely to cause confusion,  
22 mistake, or deception in the minds of the public.

23 31. Despite demands by Pinkberry, Defendants continued to use and are  
24 continuing to use and infringe Pinkberry's trademark, service mark, and trade  
25 name.

26 32. Defendants' infringement constitutes a willful and malicious violation  
27 of Pinkberry's trademark rights, aimed at preventing Pinkberry from continuing to  
28 build a business around the "Pinkberry" mark that Pinkberry has created and owns.